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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 7, 2016

Robert Moore
Utah County Deputy Attorney
100 East Center Street, Suite 400
Provo, Utah 84606

Subject: Compliance Status, Geneva Rock Products LLC, Sage Canyon Mine, M/049/0071, Utah County, Utah

Dear Mr. Moore:

As per your request, the Division of Oil, Gas and Mining is providing you with this update of the current compliance status of the Geneva Rock operations in the Point of the Mountain area in Salt Lake and Utah counties. The Sage Canyon mine, permit number M/049/0071, is primarily in Utah County with a small portion in Salt Lake County. The permitted area for the Point of the Mountain (South Hansen) mine, permit number M/035/0026, is mostly in Salt Lake county but extends into Utah county.

On October 8, 2015, the Division issued a Cessation Order (CO) to Geneva Rock Products for mining in an unpermitted, unbonded area adjacent to the Sage Canyon mine but in Salt Lake County. The CO was originally issued for the Sage Canyon mine, but it was subsequently modified to be applicable to the Point of the Mountain mine. This CO required an immediate cessation of mining operations in the unpermitted area but did not require cessation of all mining activities at either the Sage Canyon or Point of the Mountain mine. The company was then required to either post a reclamation surety for the unpermitted disturbance, or to reclaim it. The company provided an increased reclamation surety for the disturbance. On December 23, 2015, the Division issued a directive requiring that the disturbance be included in the Notice of Intention to Commence Large Mining Operations (mine plan) for the Point of the Mountain mine.



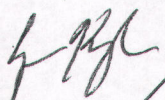
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The Division understands that the disturbance may violate Draper City zoning ordinances which might necessitate reclamation of the area. A proposed civil penalty (fine) in the amount of \$880.00 was issued to Geneva on December 2, 2015. Geneva is currently appealing the violation and the amount of the penalty, and this appeal will be heard in an informal conference scheduled for January 26, 2016.

On October 14, 2015, the Division issued a directive requiring Geneva to update the Sage Canyon mine plan. One of the updates was to verify that Geneva is in compliance with the Lehi City mass grading plan for Traverse Mountain. Geneva was granted a variance from Lehi City to the mass grading plan for Traverse Mountain to allow for 57 percent (1.7H:1V) slopes at reclamation. Under the rules of the Mined Land Reclamation Act, 647-4-111.7, highwalls may be no steeper than 1H:1V at reclamation, so the slope variance approved by Lehi City meets the Division's requirements. Geneva provided these updates to their mine plan which were approved on December 21, 2015. The Division now considers the requirements of its October 14, 2015, directive to have been met.

Please contact April Abate at 801-538-5214, or me at 801-538-5261 if you have questions or concerns regarding this letter.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: aa: eb

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